

STATE SETTLEMENT AGREEMENT

I. PARTIES

This Settlement Agreement ("Agreement") is entered into between the State of New Jersey ("the State") and Maxim Healthcare Services, Inc., on behalf of itself and its current and former parent corporations, each of its direct and indirect subsidiaries and divisions, and brother or sister entities underneath any of the foregoing, and the predecessors, successors and assigns of any of them, including the entities listed in Exhibit A, (collectively "Maxim") collectively referred to as "the Parties".

II. PREAMBLE

As a preamble to this Agreement, the Parties agree to the following:

A. At all relevant times, Maxim, a Maryland corporation with its principal place of business in Columbia, Maryland, provided in-home health and nursing services in the "State".

B. Maxim Healthcare Services, Inc. represents that it is contemplating a reorganization of its corporate structure, pursuant to which (i) a newly formed holding company will become the ultimate parent company of all Maxim legal entities, and (ii) Maxim and some or all of its existing subsidiaries will transfer some or all of their respective operations, assets, and liabilities to the various newly formed second and lower tier subsidiaries of such holding company.

C. On October 8, 2004 Richard W. West filed a qui tam action in the United States District Court for the District of New Jersey captioned United States of America ex rel. Richard W. West v. Maxim Healthcare Services, Inc., Civil Action No. 04-4906 (AET).

D. On March 3, 2009, Richard W. West filed an Amended Complaint, adding twenty-three states and the District of Columbia as plaintiffs.

E. The *qui tam* action identified in Paragraphs B. and C. will be referred to collectively as the "Civil Action."

F. Maxim has entered or will enter into a Deferred Prosecution Agreement (DPA) with the United States Attorney for the District of New Jersey. The United States Attorney for the District of New Jersey will file a criminal complaint in the United States District Court for the District of New Jersey charging Maxim with conspiracy to commit violations of the Healthcare Fraud Statute, contrary to Title 18, United States Code, Section 1347, in violation of Title 18, United States Code, Section 1349, (the "Federal Criminal Action").

G. Maxim has entered into a separate civil settlement agreement (the "Federal Settlement Agreement") with the United States (as that term is defined in the Federal Settlement Agreement).

H. The State contends that Maxim submitted claims for payment to the State's Medicaid Program (Medicaid), 42 U.S.C. §§ 1396-1396(v).

I. The State contends that it has certain civil and administrative causes of action against Maxim for engaging in the following conduct (the "Covered Conduct"):

- a. during the period from October 1, 1998 to May 31, 2009, submitting or causing to be submitted false claims to the state Medicaid program for services not rendered;
- b. during the period from October 1, 1998 to May 31, 2009, submitting or causing to be submitted false claims to the state Medicaid program, for services not reimbursable by the state Medicaid program because Maxim lacked adequate documentation to support the services purported to have been performed; and
- c. for the following offices, during the following periods, submitting or causing to be submitted false or fraudulent claims to the state Medicaid program for services not reimbursable by the state Medicaid programs because the offices were unlicensed:

- i. Trenton, New Jersey (January 2003 to February 2004)
- ii. Egg Harbor, New Jersey (July 2003 to February 2004)
- iii. Gainesville, Georgia (October 2007 to February 2008)
- iv. Brunswick, Georgia (December 2007 to February 2008)
- v. Cartersville (Northwest), Georgia (December 2007 to February 2008)
- vi. East Houston Texas (November 2005 to November 2006)
- vii. East Tampa, Florida (April 2008 to November 2008)
- viii. Orlando South, Florida (May 2008 to October 2008)
- ix. The Villages, Florida (July 2008 to October 2008)
- x. Treasure Coast, Florida (June 2008 to October 2008)
- xi. New London, Connecticut (January 2009 to June 2009)
- xii. Stamford, Connecticut (June 2007 to June 2009)
- xiii. Middletown, Connecticut (March 2009 to June 2009)

J. This Agreement is neither an admission of facts or liability by Maxim nor a concession by the State that its allegations are not well founded. Except for the specific conduct which Maxim is acknowledging, as described in the Deferred Prosecution Agreement filed in the Federal Criminal Action, Maxim expressly denies the allegations of the State as set forth herein and in the Civil Actions.

K. To avoid the delay, expense, inconvenience and uncertainty of protracted litigation of these causes of action, the Parties mutually desire to reach a full and final settlement as set forth below.

III. TERMS AND CONDITIONS

NOW, THEREFORE, in reliance on the representations contained herein and in consideration of the mutual promises, covenants and obligations set forth in this Agreement, and for good and valuable consideration as stated herein, the Parties agree as follows:

1. Maxim agrees to pay to the United States and the Medicaid Participating States, (as defined herein) collectively, the sum of one hundred and twenty-one million and five hundred and fourteen thousand and one hundred and ninety-nine dollars and eight cents (\$121,514,199.08), plus

interest accrued thereon at a rate of 1.25% per annum from June 24, 2010 and continuing until and including the day before complete payment is made (the "Settlement Amount"). The Settlement Amount shall be paid as follows:

a. Maxim shall pay to the United States the sum of sixty- five million, five hundred and fifty-four thousand, four hundred eighty-four dollars and forty-five cents (\$65,554,484.45), plus interest accrued thereon at a rate of 1.25% per annum from June 24, 2010, and continuing until and including the day before complete payment is made (the "Federal Settlement Amount"), in accordance with the payment schedule ("Federal Payment Schedule"). Within 10 days after the Effective Date of this Agreement, Maxim shall pay to the United States the initial fixed payment in the amount of \$26,942,476.46, plus any interest that may have accrued on the Federal Settlement Amount between June 24, 2010 and the Effective Date of this Agreement ("Initial Payment"), and shall thereafter make principal payments with interest according to the Federal Payment Schedule. Maxim agrees to pay the Initial Payment to the United States by electronic funds transfer pursuant to written instructions agreed to by the United States and Maxim no later than ten (10) business days after the Federal Settlement Agreement is fully executed by the parties and delivered to Maxim's attorneys.

b. Maxim shall pay to the Medicaid Participating States the principal sum of fifty-five million and nine hundred and fifty-nine thousand and seven hundred and fourteen dollars and sixty-three cents (\$55,959,714.63), plus interest accrued thereon between June 24, 2010 and the Effective Date of this Agreement, at the rate of 1.25% per annum ("Medicaid State Settlement Amount") in accordance with the State Payment Schedule (Exhibit B). Within 10 days after the Effective Date of this Agreement, Maxim shall set aside \$23,057,523.54, ("Initial State Amount") plus any interest that has accrued on the Initial State Amount in an interest-bearing money market

or bank account held in the name of Maxim, but segregated from other Maxim accounts (the "State Settlement Account"). Upon reaching agreements with, and obtaining releases from, each of the Medicaid Participating States and upon receipt of written payment instructions from the State Team, Maxim shall pay the initial payment of the Medicaid State Settlement Amount ("Initial State Payment") by electronic funds transfer to the New York State Attorney General's National Global Settlement Account ("NY State Account"). The Initial State Payment shall be the portion of the Initial State Amount attributable to the recoveries of the Medicaid Participating States plus the *pro rata* of interest that has accrued thereon. If all eligible states become Medicaid Participating States, the Initial State Payment will be equal to the Initial State Amount. Maxim shall thereafter make fixed pro rata payments according to the Payment Schedule for each settling Medicaid Participating State by electronic funds transfer to the NY State Account. The entire principal balance of the Medicaid State Settlement Amount or any portion thereof, plus any interest accrued on the principal as of the date of any prepayment, may be prepaid without penalty.

(i) Maxim shall execute a State Settlement Agreement in the form to which Maxim and the State Team have agreed, or in a form otherwise agreed to by Maxim and an individual state, with any State that executes such an Agreement within 60 days of the the State's receipt of this Settlement Agreement. Those states with which Maxim executes a State Settlement Agreement during this time period shall be defined as "Medicaid Participating States." Within 10 days after the 60th day following the State's receipt of this Settlement Agreement or five business days after Maxim's attorneys receive written wire instructions provided by the State Team, whichever is later, Maxim shall pay to the NY State Account the Initial State Amount. This payment shall consist of each Medicaid Participating State's share of the Initial Amount (as set forth in a communication transmitted from the State Team to Maxim's attorneys) (the "Individual State Share") plus that

State's *pro rata* share of interest accrued from June 24, 2010. After making the payment to the NY State Account, in accordance with the terms of this paragraph, Maxim shall have no continuing obligations with respect to any payment pursuant to this agreement to any Medicaid Participating States except as to payments set forth in the State Payment Schedule (Exhibit B), which will also be electronically transferred on the appropriate dates to the NY State Account.

(ii) Maxim may, at its sole discretion, waive any rights that it has reserved in sub-paragraph III. 1b(ii) with respect to payment of any Individual State Share.

(iii) Except as otherwise provided in this sub-paragraph, absent Maxim's consent, no State may become a Medicaid Participating State if it has not executed a Medicaid State Settlement Agreement within 60 days following the State's receipt of this Settlement Agreement. (A Medicaid Participating State shall be deemed to have become a Medicaid Participating State on the date on which it executed a State Settlement Agreement.) If Maxim is obligated pursuant to the terms of sub-paragraph III.1(b)(ii) to pay to the NY State Account an aggregate amount less than the Medicaid State Settlement Amount, Maxim shall be entitled to retain any such difference and no State shall be entitled to any portion of that difference pursuant to the terms of this Agreement.

c. The total portion of the Settlement Amount paid by Maxim in settlement for the Covered Conduct to the State is \$5,466,977.00, consisting of a portion paid to the State under this Agreement and another portion paid to the Federal Government as part of the Federal Settlement Agreement. The individual portion of the Medicaid State Settlement Amount allocated to the State under this Agreement is the sum of \$2,706,808.00, plus applicable interest.

(i) The Medicaid Participating States whose False Claims Act(s) had been properly pled by the relator, Richard W. West, agree that as soon as feasible after receipt of the Medicaid State Settlement amount described in para III b. above, the State Team will disburse agreed upon amounts, pursuant to the Relator's Payment Schedule attached as Exhibit C, the relators share, as set forth in a side letter with Robin Page West, Esq, counsel for relator Richard W. West.

(ii) The State agrees to dismiss with prejudice any supplemental state law claims asserted in the Civil Action against Maxim for the Covered Conduct.

d. In the event of either (i) a Change in Ownership of Maxim or (ii) a sale of all or substantially all of the assets of Maxim before Maxim has made all payments due under this Settlement Agreement, all remaining payments due in the Payment Schedule shall be immediately due and payable. Specifically, Maxim shall pay the entire principal owed on the Settlement Amount, plus any interest that may have accrued on the remaining principal. Notwithstanding the foregoing, the Medicaid Participating States acknowledge that the contemplated reorganization of the corporate structure of Maxim Healthcare Services, Inc. set forth above in Paragraph B shall not trigger an acceleration event under this Paragraph 1(d) as long as the ownership of the ultimate parent company of the Maxim legal entities described above remains the same as the ownership of Maxim Healthcare Services, Inc. as of January 1, 2011, as set forth in a April 28, 2011 letter from Laura Laemmle-Weidenfeld to Joyce R. Branda. For purposes of this Paragraph 1(d), "Change in Ownership" otherwise means the occurrence of any transaction or series of transactions involving the sale, transfer or exchange of equity ownership interests that changes, by more than two per cent (2%), the ownership or beneficial ownership of Maxim from the ownership or beneficial ownership of Maxim Healthcare Services, Inc. on January 1, 2011, as set forth in the April 28, 2011

letter, provided, however, that no transfer of ownership or beneficial ownership permitted by Paragraph 1(f)(ii) because of resignation or termination of employment shall constitute a Change of Ownership or trigger an acceleration event under this Paragraph 1(d).

e. In no event will Maxim pay, or cause to be paid by any affiliate or other entity, to Maxim's shareholders any: dividends, distributions, salary, rent, interest, loans, remuneration, compensation or any payments of any kind until Maxim has paid in full to the United States and the Medicaid Participating States the Settlement Amount, plus any interest owing on the Settlement Amount based on the Payment Schedule as of the time the Settlement Amount is paid in full.

i. Nothing in this provision shall prevent Maxim from making tax distributions to its shareholders for actual income tax liability on Maxim's earnings, including making periodic estimated payments related to their projected tax liability as required by federal or state law, as long as Maxim is treated as a pass-through or disregarded entity for federal and/or state income tax purposes. However, until such time as Maxim pays in full the Settlement Amount, plus any interest owing on the Settlement Amount based on the Payment Schedule as of the time the Settlement Amount is paid in full, Maxim shall submit to the United States a copy of its complete federal tax returns as filed, including all schedules and attachments within fifteen days after filing with the Internal Revenue Service.

ii. Nothing in this Paragraph 1(e) shall prevent Maxim from repurchasing shares of common stock from, or making payments with respect to incentive compensation agreements to, a Maxim stockholder to the extent required under the terms of the specific incentive stock option agreements and incentive compensation arrangements provided to the United States by letter from Laura Laemmle-Weidenfeld to Joyce R. Branda of April 28, 2011.

iii. Nothing in this provision shall prevent Maxim from paying reasonable remuneration to any Maxim shareholder for the fair market value of services rendered to Maxim or its agents, provided that any such remuneration must be reported, together with a description of the services rendered and an explanation for why such remuneration constitutes fair market value, on each anniversary of the Effective Date of this agreement until such time as the Settlement Amount and any interest owing on the Settlement Amount are paid in full.

iv. Any report required in this paragraph shall be sent to Assistant Attorney General John Krayniak, New Jersey Division of Criminal Justice-Medicaid Fraud Control Unit, 25 Market Street, PO Box 085, Trenton, New Jersey 08625-0085 and marked "Pursuant to States v. Maxim Healthcare, Inc., Settlement, New Jersey case number 200703957, or to any other representative designated by the State Team.

2. In the event that Maxim fails to remit at least the total amount due to the United States and/or the Medicaid Participating States in accordance with the Payment Schedule, within five (5) days after the date indicated in the Payment Schedule, Maxim shall be in Default of its payment obligations (hereinafter "Default"). In the event of Default, the United States will provide written notice of the Default ("Notice of Default"), and Maxim shall have an opportunity to cure such Default within thirty (30) days from the date of receipt of the Notice of Default ("Cure Period"). Notice of Default will be delivered to Laura Laemmle-Weidenfeld, Esq., Patton Boggs LLP, 2550 M Street, NW, Washington, DC 20037, and concurrently to Toni-Jean Lisa, General Counsel, Maxim Healthcare Services, Inc., 7227 Lee DeForest Drive, Columbia, MD 21046, or to such other representative as Maxim shall designate in advance in writing. If Maxim fails to cure the Default within the Cure Period (hereinafter "Failure to Cure Default"), the remaining unpaid balance of the State Settlement Amount, less any payments already made, shall become

immediately due and payable, and interest shall accrue at the Medicare interest rate (per 42 C.F.R. part 405.378) as of the date of Default until payment in full of the State Settlement Amount plus any interest owing as of the date of payment pursuant to the Payment Schedule. Furthermore, in the event of a Failure to Cure Default, the Medicaid Participating States may at their option:

- a) rescind their releases;
- b) offset the remaining unpaid balance from any amounts due and owing to Maxim by any state Medicaid program, at the time of the Default; and/or
- c) re-institute an action or actions against Maxim.

Maxim agrees not to contest any offset imposed and not to contest any collection action undertaken by the Medicaid Participating States pursuant to this Paragraph, either administratively or in any state or federal court. Maxim shall pay the Medicaid Participating States all reasonable costs of collection and enforcement under this Paragraph, including attorney's fees and expenses (collection costs). In the event one or more of the Medicaid Participating States re-institutes this action under this Paragraph, Maxim expressly agrees not to plead, argue or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claims, actions, or proceedings, which:

- (a) are brought by the Medicaid Participating States within one hundred-twenty (120) calendar days of receipt of Notice of Default, and
- (b) relate to the Covered Conduct, except to the extent such defenses were available on October 8, 2004.

3. In the event of Failure to Cure Default, the State may, at its sole discretion, exclude Maxim from participating in all state health care programs until Maxim pays the State Settlement Amount, any interest owing as of the date of payment pursuant to the State Payment

Schedule, and collection costs. Exclusion for Default shall have statewide effect and shall also apply to all other state procurement and non-procurement programs. State health care programs shall not pay anyone for items or services, including administrative and management services, furnished, ordered, or prescribed by Maxim in any capacity while Maxim is excluded. This payment prohibition applies to Maxim and all other individuals and entities (including, for example, anyone who employs or contracts with Maxim, and any hospital or other provider where Maxim provides services). Exclusion for Default applies regardless of who submits the claim or other request for payment. Maxim shall not submit or cause to be submitted to any state health care program any claim or request for payment for items or services, including administrative and management services, furnished, ordered or prescribed by Maxim during the Exclusion for Default. Violation of the conditions of the Exclusion for Default may result in criminal prosecution, the imposition of civil monetary penalties and assessments, and an additional period of Exclusion for Default. Maxim further agrees to hold the State health care programs, and all beneficiaries and/or sponsors, harmless from any financial responsibility for items or services furnished, ordered or prescribed to such beneficiaries or sponsors after the effective date of the Exclusion for Default. The state shall provide written notice of any such exclusion to Maxim. Maxim waives any further notice of the Exclusion for Default under 42 U.S.C. § 1320a-7(b)(7), and agrees not to contest such Exclusion for Default either administratively or in any state or federal court. Reinstatement to program participation is not automatic. If at the end of the period of Exclusion for Default Maxim wishes to apply for reinstatement, Maxim must submit a written request for reinstatement to the State in accordance with the provisions of 42 C.F.R. §§ 1001.3001-.3005 and applicable state regulations. Maxim will not be reinstated unless and until the state approves such request for reinstatement.

4. Subject to the exceptions in Paragraph 5 below, and in consideration of the obligations of Maxim set forth in this Agreement, conditioned upon payment by Maxim of the State's share of the Medicaid State Settlement Amount, and subject to Paragraph 13 below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment under this Agreement), the State agrees to release Maxim, together with its predecessors, and current and former parents, divisions, subsidiaries, successors, transferees, heirs and assigns, and their current and former directors, officers, employees and agents individually and collectively (collectively, the "Maxim Released Entities"), from any civil or administrative monetary cause of action that the State has for any claims submitted or caused to be submitted to the State Medicaid Program as a result of the Covered Conduct.

5. Notwithstanding any term of this Agreement, the State specifically does not release any person or entity from any of the following liabilities:

- (a) any criminal, civil, or administrative liability arising under state revenue codes;
- (b) any criminal liability;
- (c) any civil or administrative liability that any person or entity, including any Released Entities, has or may have to the State or to individual consumers or state program payors under any statute, regulation or rule not expressly covered by the release in paragraph 4 above, including but not limited to, any and all of the following claims: (i) State or federal antitrust violations; (ii) Claims involving unfair and/or deceptive acts and practices and/or violations of consumer protection laws;
- (d) any liability to the State for any conduct other than the Covered Conduct;

(e) any liability which may be asserted on behalf of any other payors or insurers, including those that are paid by the State's Medicaid program on a capitated basis;

(f) any liability based upon obligations created by this Agreement;

(g) except as explicitly stated in this Agreement, any administrative liability, including mandatory exclusions from the State's Medicaid program;

(h) any express or implied warranty claims or other liability for defective or deficient products and services provided by Maxim; or

(i) any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

6. This Agreement is expressly conditioned upon resolution of the Federal Criminal Action by means of the Deferred Prosecution Agreement identified in paragraph II.F. of this Agreement.

7. In consideration of the obligations of Maxim set forth in this Agreement, and the Corporate Integrity Agreement ("CIA") that Maxim has entered into or will enter into with the Office of the Inspector General of the United States Department of Health and Human Services ("HHS-OIG") in connection with this matter, and conditioned on receipt by the State of its share of the State Medicaid Settlement Amount, except as reserved in Paragraph 4 above and subject to Paragraph 15 below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment under this Agreement), the State agrees to release and refrain from instituting, recommending, directing or maintaining any administrative action seeking exclusion from the State's Medicaid program against the Maxim for the Covered Conduct or for the conduct set forth in the Federal Criminal Action. Nothing in this Agreement precludes

the State from taking action against Maxim in the event that Maxim is excluded by the federal government, or for conduct and practices other than the Covered Conduct.

8. Maxim waives and shall not assert any defenses it may have to criminal prosecution or administrative action for the Covered Conduct, which defenses may be based in whole or in part on a contention, under the Double Jeopardy Clause of the Fifth Amendment of the Constitution or the Excessive Fines Clause of the Eighth Amendment to the Constitution, that this Agreement bars a remedy sought in such criminal prosecution or administrative action.

9. In consideration of the obligations of the State set forth in this Agreement, Maxim waives and discharges the State, its agencies, political subdivisions, employees, servants, and agents from any causes of actions (including attorneys' fees, costs and expenses of every kind and however denominated) which Maxim has asserted, could have asserted, or may assert in the future against the State, its agencies, political subdivisions, employees, servants and agents, arising from the State's investigation and prosecution of the Covered Conduct.

10. The amount that Maxim must pay to the State pursuant to Paragraph 1 above will not be decreased as a result of the denial of claims for payment now being withheld from payment by the State's Medicaid program, or any other state payer, for the Covered Conduct; and, if applicable, Maxim agrees not to resubmit to the State's Medicaid program or any other state payer, any previously denied claims, which denials were based on the Covered Conduct, and agrees not to appeal or cause the appeal of any such denials of claims.

11. Maxim shall not seek payment for any of the claims for reimbursement to Medicaid covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals or third party payors.

12. Maxim expressly warrants that it has reviewed its financial condition and that it is currently solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(B)(ii)(I), and expects to remain solvent following payment of the State Settlement Amount and compliance with subparagraphs III.1.b(i), (ii), and (iv) of the State Settlement Agreement. Further, the Parties expressly warrant that, in evaluating whether to execute this Agreement, the Parties (a) have intended that the mutual promises, covenants and obligations set forth herein constitute a contemporaneous exchange for new value given to Maxim within the meaning of 11 U.S.C. § 547(c)(1), and (b) have concluded that these mutual promises, covenants and obligations do, in fact, constitute such a contemporaneous exchange.

13. In the event Maxim commences, or another party commences, within 91 days of the Effective Date of this Agreement or any payment made hereunder, any case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization or relief of debtors (a) seeking to have any order for relief of Maxim debts, or seeking to adjudicate Maxim as bankrupt or insolvent, or (b) seeking appointment of a receiver, trustee, custodian or other similar official for Maxim or for all or any substantial part of Maxim assets, Maxim agree(s) as follows, to the extent consistent with applicable law:

a. Maxim's obligations under this Agreement may not be avoided pursuant to 11 U.S.C. §§ 547 or 548, and Maxim shall not argue or otherwise take the position in any such case, proceeding or action that: (i) Maxim's obligations under this Agreement may be avoided under 11 U.S.C. §§ 547 or 548; (ii) Maxim was insolvent at the time this Agreement was entered into, or became insolvent as a result of the payment made to the State hereunder; or (iii) the mutual

promises, covenants and obligations set forth in this Agreement do not constitute a contemporaneous exchange for new value given to Maxim.

b. If Maxim's obligations under this Agreement are avoided for any reason, including, but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code, the State, at its sole option, may rescind the releases provided in this Agreement, and bring any civil and/or administrative action or proceeding against Maxim for the liability that would otherwise be covered by the releases provided in this Agreement. If the State chooses to do so, Maxim agrees that for purposes only of any actions or proceedings referenced in the first clause of this Paragraph, any such actions or proceedings brought by the State (including any proceedings to exclude Maxim from participation in the State's Medicaid program) are not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) as a result of the action, case or proceeding described in the first clause of this Paragraph, and that Maxim shall not argue or otherwise contend that the State's actions or proceedings are subject to an automatic stay; Maxim shall not plead, argue or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel or similar theories, to any such civil or administrative actions or proceedings which are brought by the State within 120 calendar days of written notification to Maxim that the releases herein have been rescinded pursuant to this Paragraph, except to the extent such defenses were available before October 8, 2004; and the State has a valid demand against Maxim in the amount of its share of the Medicaid State Settlement Amount plus applicable multipliers and penalties and it may pursue its demand *inter alia*, in the case, action, or proceeding referenced in the first clause of this Paragraph, as well as in any other case, action or proceeding; and Maxim acknowledges that its agreements in this Paragraph are provided in exchange for valuable consideration provided in this Agreement.

14. The Parties each represent that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever.

15. Maxim agrees to cooperate fully and truthfully with any State investigation of individuals or entities not released in this Agreement stemming from the Covered Conduct. Upon reasonable notice, Maxim shall facilitate, and agree not to impair, the cooperation of their directors, officers, employees or agents, for interviews and testimony, consistent with the rights and privileges of such individuals and of Maxim. Upon request, Maxim agrees to furnish to the State complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in their possession, custody or control, concerning the Covered Conduct. Maxim shall be responsible for all costs it may incur in complying with this paragraph.

16. Except as expressly provided to the contrary in this Agreement, each Party to this Agreement shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

17. Except as otherwise stated in this Agreement, this Agreement is intended to be for the benefit of the Parties only, and by this instrument the Parties do not release any liability against any other person or entity.

18. Nothing in this Agreement constitutes an agreement by the State concerning the characterization of the amounts paid hereunder for purposes of State or Federal revenue codes.

19. In addition to all other payments and responsibilities under this Agreement, Maxim agrees to pay all reasonable expenses and travel costs of the State Team. Maxim will pay this amount by separate check made payable to the National Association of Medicaid Fraud Control Units, after the Medicaid Participating States execute their respective Agreements, or as otherwise agreed by the Parties.

20. This Agreement is governed by the laws of the State.

21. The undersigned Maxim signatories represent and warrant that they are authorized as a result of appropriate corporate action to execute this Agreement. The undersigned State signatories represent that they are signing this Agreement in their official capacities and that they are authorized to execute this Agreement on behalf of the State through their respective agencies and departments.

22. The "Effective Date" of this Agreement shall be the date of signature of the last signatory to this Agreement. Facsimiles of signatures shall constitute acceptable binding signatures for purposes of this Agreement.

23. This Agreement shall be binding on all successors, transferees, heirs and assigns of the Parties.

24. This Settlement Agreement constitutes the complete agreement between the Parties with respect to this matter and shall not be amended except by written consent of the Parties.

25. This Agreement may be executed in counterparts, each of which shall constitute an original, and all of which shall constitute one and the same Agreement.

STATE OF NEW JERSEY

By: _____ Dated: _____

[Name]

[Title]

OFFICE OF THE ATTORNEY GENERAL

By: Valerie Harr Dated: 8/9/11

[Name]

[Title]

Medicaid Program

Valerie Harr
Director

STATE OF NEW JERSEY

By:  Dated: 8-11-2011

[Name] Paula T. Dow
[Title] Attorney General
OFFICE OF THE ATTORNEY GENERAL

By: _____ Dated: _____

[Name]
[Title]
Medicaid Program

MAXIM HEALTHCARE SERVICES, INC.

By:  _____ Dated: 9/6/11

W. BRADLEY BENNETT
Chief Executive Officer

By:  _____ Dated: 9/6/11

TONI-JEAN LISA
General Counsel

By: _____ Dated: _____

LAURA LAEMMLE-WEIDENFELD, Esq.
Patton Boggs LLP
Counsel for Maxim Healthcare Services, Inc.

MAXIM HEALTHCARE SERVICES, INC.

By: _____ Dated: _____

W. BRADLEY BENNETT
Chief Executive Officer

By: _____ Dated: _____

TONI-JEAN LISA
General Counsel

By:  _____ Dated: 9/6/2011

LAURA LAEMMLE-WEIDENFELD, Esq.
Patton Boggs LLP
Counsel for Maxim Healthcare Services, Inc.